

Message Text

CONFIDENTIAL

PAGE 01 STATE 266379

22

ORIGIN AF-08

INFO OCT-01 ISO-00 XMB-02 EB-07 AID-05 TRSE-00 INR-07 /030 R

DRAFTED BY AF/C:EMARKS:GJB

APPROVED BY AF/C:TRBUCHANAN

----- 130831

R 282304Z OCT 76

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

C O N F I D E N T I A L STATE 266379

E.O. 11652: GDS

TAGS: EFIN, CG

SUBJECT: ZAIRE RECOVERY PROGRAM: PRIVATE BANK DEBT

REF: STATE 263468

1. DEPTOFF HAS REVIEWED RESULTS OF NEW YORK MEETING BETWEEN ZAIRIAN CENTRAL BANK GOVERNOR AND PRIVATE BANKERS AND OBTAINED CONFIRMATION THAT A TENTATIVE AD REFERENDUM AGREEMENT WAS REACHED. FOLLOWING INFORMATION HAS BEEN CONFIRMED BY IMF AND CITIBANK.

2. CITIBANK IS PRIMARILY INTERESTED IN OBTAINING RES;LUTION OF SITUATION WHICH DOES NOT RPT NOT CREATE RESCHEDULING PRECEDENT FOR OTHER LDCS ITH DEBT SERVICE PROBLEMS. CITIBANK CONCEPTUAL APPROACH IS TO ARRANGE FOR SITUATION WHEREIN FINANCIAL MARKETS CAN PROVIDE HECESSARY ASSISTANCE.

3. CITIBANK MADE PROPOSAL TO WHICH SAMBWA RES,ONDED WITH REQUESTS FOR AMENDMENTS AND ALTERATIONS. FINAL RESULT CALLS FOR:

A. GOZ TO BECOME CURRENT ON ALL INTEREST PAYMENTS,

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 266379

DEPOSIT EQUIVALENT OF DUE PRINCIPAL PAYMENTS IN BLOCKED

ACCOUNT WITH CITIBANK, AND NEGOTIATE A NEW STAND-BY AGREEMENT WITH IMF FOR HIGHER TRANCHE DRAWINGS.

B. UPON SATISFACTION OF THESE CONDITIONS, GOZ WILL BE ABLE TO DRAW UPON A NEW BLOCK OF MEDIUM TERM CREDITS WHICH CITIBANK WILL ATTEMPT TO ORGANIZE. (EXACT TEXT OF PERTINENT PHRASE IN AGREED MINUTES OF MEETING IS WITHIN GENERAL FRAMEWORK, FNCB WILL ATTEMPT TO SYNDICATE ON A BEST EFFORTS BASIS 250 MILLION DOLLARS IN NEW MEDIUM TERM CREDITS TO THE GOVERNMENT OF ZAIRE.")

4. DISBURSEMENT OF FUNDS WOULD BE PHASED OVER TWELVE MONTH PERIOD. WHILE SPECIFIC REPAYMENT TERMS REMAIN UNDEFINED, WE UNDERSTAND THEY WILL BE OVER FOUR YEARS BEGINNING AT END OF DISBURSEMENT PERIOD.

5. SAMBWA AND BANKERS SCHEDULED TO MEET NEXT IN LONDON ON NOVEMBER 5, HOPEFULLY TO SIGN THIS AGREEMENT.

6. RUSSO OF IMF WILL LEAD TEAM TO KINSHASA END OF NOVEMBER TO DISCUSS NEW STABILIZATION PROGRAM. HE INDICATED TO DE, TOFFS THAT AGREEMENT SHOULD POSE NO PROBLEM.

7. FYI: WE UNDERSTAND THIS AGREEMENT IS PRIMARILY CITIBANK INITIATIVE. OTHER BANKS WERE RELATIVELY PASSIVE AND A NUMBER OF LARGE AMERICAN BANKS HAVE INDICATED THEIR SKEPTICISM ABOUT POSSIBILITY OF CITIBANK RAISING PROMISED AMOUNT. EUROPEAN BANKS HAD DISCUSSED A MORE STRAIGHTFORWARD RESCHEDULING ARRANGEMENT, WHICH MAY SURFACE AGAIN IF CITIBANK UNABLE TO CONVINCE GOZ AND OTHER BANKERS THAT 250 MILLION DOLLARS CREDIT CAN BE RAISED. SAMBWA HIMSELF IS REPORTEDLY VERY OPTIMISTIC AND EXPECTS TO SIGN AGREEMENT IN LONDON ON NOVEMBER 5. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEBT REPAYMENTS, BANKS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 OCT 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE266379
Document Source: CORE
Document Unique ID: 00
Drafter: EMARKS:GJB
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760405-0370
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976107/aaaaagad.tel
Line Count: 95
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 263468
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAY 2004 by BoyleJA>; APPROVED <09 SEP 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ZAIRE RECOVERY PROGRAM: PRIVATE BANK DEBT
TAGS: EFIN, CG
To: KINSHASA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006